GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:236
ANSWERED ON:07.12.2006
ACQUISITION OF SUGARCANE ACREAGES
Singh Shri Sugrib

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government proposes to acquire sugarcane acreages overseas in search of energy security in order to reduce dependence on imported crude as reported in the 'Times of India' dated September 6, 2006;

(b) if so, the details thereof;

(c) whether any Indian oil companies have signed MoUs with the foreign countries in this regard;

(d) if so, the details in this regard; and

(e) the further steps taken by the Government to implement MoUs?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

(a) No, Sir.

(b) Does not arise

(c) No, Sir

(d) & (e) Do not arise

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO.236 BY Shri KISHANBHAI V. PATEL, Shri SUGRIB SINGH TO BE ANSWERED ON 7TH DECEMBER 2006 REGARDING ACQUISITION OF SUGARCANE ACREAGES

(a) & (b): A team from Bharat Petroleum Corporation Limited visited Brazil in September, 2006 to explore the possibility of acquiring sugarcane acreage and putting up ethanol manufacturing industrial units in Brazil. Recently, they have been asked to carry out feasibility study for this purpose and to share the experience of private companies also. Depending upon the feasibility study, the issue of forming a joint venture with three Public Sector Oil Companies namely Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited, Bharat Petroleum Corporation Limited and one reputed local company of Brazil, engaged in sugar / ethanol industry may be formed, will be further considered.

(c): No sir.

(d)&(e) Do not arise.

NOTE FOR SUPPLEMENTARIES FOR THE LOK SABHA STARRED QUESTION NO. 236 (15TH POSITION) BY SHRI KISHANBHAI V. PATEL, SHRI SUGRIB SINGH TO BE ANSWERED ON 7TH DECEMBER 2006 REGARDING ACQUISITION OF SUGARCANE ACREAGES

A team from BPC visited Brazil in September 2006 to explore the possibilities of acquiring sugarcane acreage and putting up ethanol manufacturing industrial units in Brazil. The team's report was discussed during the meeting of Monitoring Committee of Ethanol on 15.11.2006 chaired by Secretary, P&NG, when it was decided that following action be taken by the Industry with BPCL as the coordinator: Feasibility study for Ethanol operations in/from Brazil the experience of private companies including Reliance Industries may be shared − to be completed within a period of six weeks. Industry task force to be constituted to finalize the various related modalities - to be completed within a period of six weeks.

The Ethanol project in Brazil may be implemented by forming a joint venture with public sector oil marketing companies (OMCs), viz. IOC, BPCL and HPCL (with equal shares) and a local partner engaged in the sugar / ethanol industry.

NOTE FOR SUPPLEMENTARIES FOR THE LOK SABHA STARRED QUESTION NO. 236 (15TH POSITION) BY SHRI KISHANBHAI V. PATEL, SHRI SUGRIB SINGH TO BE ANSWERED ON 7TH DECEMBER 2006 REGARDING ACQUISITION OF

SUGARCANE ACREAGES

Consequent to the decision by the delegation headed by Additional Secretary (P&NG) conveyed to Industry members vide note No. 19337 dt. 6.07.2006 a delegation from BPCL comprising the following members had visited Brazil during 23rd Sep to 30th.

1. Shri. RK Mehra General Manager (Logistics)

2. Dr. PVSL Narasimham, Southern Region. Manager QC and

3. Shri. Rahul Agarwal, Dy. Manager (Finance) International Trade

The team had the following mandate to study on industry basis.

To get the possibilities of acquiring sugarcane acreages and putting up ethanol manufacturing units in Brazil for export to India valuated through an expert agency.

To evaluate the possibility of OMCs either getting into the business on their own or in partnership /JVs with other national / international companies having experience in the Sugar / Ethanol Sector.

To evaluate the possibility of availing carbon credits.

BPCL team visited the cities of Sao Paulo, Piracicaba, Rio de Janeiro and Brasilia in Brazil during September 23-30, 2006 and met cross section of stakeholders involved in the Brazilian ethanol industry as shown in the table below. Many leads generated during the interactions for export diversification.